



November 7, 2013

VIA OVERNIGHT DELIVERY

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

Attention: Jean D. Jewell
Commission Secretary

**RE: CASE NO. PAC-E-13-15
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR
APPROVAL OF A ONE TIME CUSTOMER CREDIT TO REFUND OVER
COLLECTION OF SCHEDULE 191 CUSTOMER EFFICIENCY SERVICES RATE**

Please find enclosed in the above captioned matter the original and seven (7) copies of Rocky Mountain Power's Application requesting authorization to provide a one-time customer credit to customers subject to Electric Service Schedule 191, Customer Efficiency Services rate.

Please contact J. Ted Weston at (801) 220-2963 if you have any further questions.

Very Truly Yours,

Jeffrey K. Larsen
Vice President of Regulation & Government Affairs
Rocky Mountain Power

Enclosures

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IDAHO PUBLIC
UTILITIES COMMISSION

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Attorneys for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF ROCKY MOUNTAIN POWER FOR)	CASE NO. PAC-E-13-15
APPROVAL OF A ONE TIME CUSTOMER)	
CREDIT TO REFUND OVER COLLECTION)	APPLICATION
OF SCHEDULE 191 CUSTOMER)	
EFFICIENCY SERVICES RATE)	

COMES NOW, Rocky Mountain Power, a division of PacifiCorp (the "Company"), and in accordance with RP 052 and RP 201, *et. seq.*, hereby applies to the Idaho Public Utilities Commission (the "Commission") for authority to provide a one-time customer credit of \$1.4 million to refund revenues collected through the Commission approved Electric Service Schedule 191, Customer Efficiency Services Rate. In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is authorized to do and is doing business in the state of Idaho. The Company provides retail electric service to approximately 73,500 customers in the state of Idaho and is subject to the jurisdiction of the Commission. Rocky Mountain Power is a public utility in the state of Idaho pursuant to Idaho Code § 61-129.

2. Communications regarding this Application should be addressed to:

Ted Weston
Daniel E. Solander
201 South Main, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-2963
Fax: (801) 220-2798
Email: ted.weston@pacificorp.com
daniel.solander@pacificorp.com

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By e-mail (preferred)	datarequest@pacificorp.com
By regular mail	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232

3. This Application is filed pursuant to *Idaho Code* §§ 61-301, 61-307, 61-622, and 61-623. In particular, *Idaho Code* § 61-623 empowers the Commission to determine the propriety of proposed rate schedules, §§ 61-307 and 61-622 require Commission approval prior to any increase in rates, and § 61-301 requires Idaho retail electric rates to be just and reasonable.

BACKGROUND

4. The Company has offered a variety of demand side management (“DSM”) programs to its customers since the 1970s. All of the DSM programs offered by Rocky Mountain Power in Idaho have been designed to be cost-effective. On March 2, 2006, the Commission approved an enhanced set of DSM programs and cost recovery through Schedule 191, Customer Efficiency Services Rate, which was applied to customers’ bills beginning May 1, 2006. The collection rate was set at 1.5 percent to allow the Company to

implement an enhanced set of programs designed to measure Idaho customers' willingness to participate in programs and the Company's ability to deliver them cost-effectively. To manage collection and program expenses during the initial period, the Company tied participation to funding availability for business energy efficiency programs.

5. On February 14, 2008, the Company filed an application¹ with the Commission requesting authority to increase the Customer Efficiency Services Rate from 1.5 percent to 3.72 percent. The Idaho Public Utilities Commission approved² the increase to Schedule 191 effective May 1, 2008. The increase to Schedule 191 provided additional funding for operating programs and also made it possible for the Company to offer one new program - Schedule No. 125 – Energy FinAnswer.

6. On February 25, 2010, the Company filed an application³ seeking authority to increase Schedule 191 rate from 3.72 percent to 5.85 percent. Commission Order No. 32023 found it reasonable to increase the rate to 4.72 percent.

7. In the Company's next general rate case⁴ Commission staff proposed that the dispatchable irrigation load control program, Schedule 72A, should be treated as a system resource rather than a demand side management program and that the costs associated with delivery of the program should be system allocated rather than direct assigned to Idaho. Commission Order No. 32196 approved Staff's proposal and reduced the Schedule 191 rate from 4.72 percent to 3.4 percent.

8. On May 30, 2012, the Company, filed an application⁵ to reduce the collection

¹ Case No. PAC-E-08-01.

² Order No. 30543.

³ Case No. PAC-E-10-03.

⁴ Case No. PAC-E-10-07.

⁵ Case No. PAC-E-12-11.

rate for Schedule 191 from 3.4 percent to 2.1 percent of retail revenue, excluding the tariff contract customers, and requested a July 1, 2012 effective date. It was anticipated that this would reduce the Customer Efficiency Services annual revenue collection from approximately \$5.7 million to \$3.5 million. The Commission approved⁶ the Company's application effective August 1, 2012.

ONE-TIME CREDIT

9. Attachment 1 to this Application contains a summary of projected DSM revenue collection under Schedule 191 that would occur based on 2012 normalized loads and the current collection rate of 2.1 percent of revenues. Attachment 2 to this Application is a summary of Idaho DSM program costs, revenue collection, and the accumulated balance on a cash and accrual basis. Actual revenues collected from Schedule 191 during 2012 were \$5.245 million compared to projected revenues⁷ for that period of \$4.541 million, approximately \$704,000 higher than projected. The increased revenue collection was partially offset by \$145,000 of actual DSM expenditures above the estimate for the year. The additional revenues were generated by three main drivers: (1) customer usage was higher than projected, (2) the effective date of the rate reduction to the rider was August 1, 2012 compared to a July 1, 2012, projected date, (3) revenue collection from the energy cost adjustment mechanism (ECAM) was greater than projected which increased the revenue base of the rider.

10. Attachment 2 provided in Case No. PAC-E-12-11 forecasted a net over-collection position, revenues exceeding expenditures, of \$393,191 for calendar year 2013

⁶ Order No. 32606.

⁷ Case No. PAC-E-12-11 Attachment 2 .

DSM program. Current projections for 2013, based on nine months actual and three months estimate, project an over-collection position of \$710,200 for the year.

11. The DSM rider's accumulated balance on an accrual basis at December 31, 2013, is projected to be approximately \$1.5 million. With no adjustment to the collection rate or credit to customers the balance by the end of 2014 is projected to increase to \$2.2 million.

12. Based on the current Customer Efficiency Services rate of 2.1 percent of retail revenues, excluding special contracts, the Company projects revenues from the DSM rider of approximately \$4.0 million per year. If the revenue projection is correct revenues would exceed 2014 DSM program costs but would be slightly below 2015 projected costs.

13. Attachment 2 shows the Company's projected DSM accumulated balance at December 31, 2013, based on an accrual basis, of \$1.5 million over-collected position. Absent any further action this balance is projected to reach approximately \$2.3 million by the end of 2014.

14. In 2012, when the Company filed to reduce the rate for Schedule 191 several parties filed comments of concern. The Idaho Conservation League ("ICL") pointed out that the Company's 2011 Integrated Resource Plan ("IRP") included commitments to expand energy saving efforts that would increase the need for funding and questioned the Company's representation that a reduced rider would adequately fund anticipated expenditures. ICL was also concerned with "whipsawing" customer rates up and down, and urged the Commission to maintain the current rate. In its written comments, Snake River Alliance ("SRA") stated it did not support the Company's request because it was premature and had a potential to undermine ongoing attempts to expand DSM programs. SRA believed it was premature to reduce the rate because there was not a record of the Company over-collecting funds for its

DSM programs over a period of time. SRA suggested the Company be given additional time to demonstrate that it will neither modify nor decrease any of its DSM activities as part of the Application. SRA also suggested the Company's request may indicate it is not planning adequately for future DSM-related expenditures. SRA stated the Company has a recent history with DSM funding levels of increases and decreases, sending mixed signals to customers as to the value of the programs.

15. In response to ICL and SRA's concerns that the Company may not be aggressively pursuing DSM programs the Company points to its 2013 IRP. Staff's comments on the IRP noted:

"Of the 12 portfolios, the highest ranked risk-adjusted PVRR under both Gateway scenarios was a portfolio that was developed allowing for accelerated Class 2 DSM ramp rates beyond what the Company assumes is achievable while restricting the portfolio from using baseload thermal resources to meet capacity deficits."⁸

16. Not only does the Company set goals to increase DSM savings, it has been successful in achieving those goals. In 2012 the goal for Class 2 DSM in Idaho was 8,500,000 kWh. The Company was successful in reaching 10,545,296 kWh, or 124 percent of the goal. For 2013 the goal is 14,377,000 kWh. Year-to-Date, through September 2013, the Company has already surpassed 2012 results with reductions of 11,475,890 kWh.

17. In addition to the Class 2 DSM programs the Company continues to deliver substantial capacity reduction programs targeted to mitigate peak demand. Two of the larger initiatives are here in Idaho with irrigation customers and Monsanto. While these aren't funded by Schedule 191 the Company continues to pursue ways to avoid or delay the need for new resources.

⁸ PAC-E-13-05, Staff's Comments page 8.

18. When the Commission issued Order 32606 it directed the Company to monitor the balance of the DSM rider to assure it does not get too over or under collected. “The Commission does not find it prudent, to allow Rocky Mountain to collect significantly more than is necessary for its existing programs to build a reserve for future energy efficiency programs.”

19. Keeping in mind ICL and SRA’s concern to avoid “whipsawing” customer’s rates up and down and comply with the Commission’s order to monitor the DSM rider’s balance the Company proposes that a one-time credit of approximately \$1.4 million be returned to customers beginning on February 1, 2014.


20. Rocky Mountain Power proposes implementing this one-time credit through a new Electric Service Schedule 95, Customer Efficiency Services Credit, provided as Attachment 3. Schedule 95 would be applied to each active retail customer, as of February 1, 2014, that was subject to Schedule 191. The credit would be 37 percent of the customer’s Schedule 191 charges incurred over the period of October 1, 2012, through September 30, 2013. Because the credit will be calculated and applied to the customer’s bill individually, it will take from one to two months to complete the refund. The Company proposes to apply the credit to each active customer’s account beginning February 1, 2014, and to complete the task no later than March 31, 2014.

21. Rocky Mountain Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201 et seq. If, however, the Commission determines that a technical hearing is required, the Company stands ready to prepare and present its testimony in such hearing.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue a final Order: (1) authorizing that this matter may be processed by Modified Procedure; (2) approving the Company's proposed Electric Service Schedule 95, Customer Efficiency Services Credit; and (3) authorizing a one-time credit of \$1.4 million effective February 1, 2014.

DATED this 7th day of November, 2013.

Respectfully submitted

By 
Mark C. Moench
Daniel E. Solander

Attorneys for Rocky Mountain Power

Attachment 1

Summary of Projected DSM Revenue Collected

ATTACHMENT 1
ESTIMATED REVENUE FROM SCHEDULE 191
FROM ELECTRIC SALES TO ULTIMATE CUSTOMERS
DISTRIBUTED BY RATE SCHEDULES IN IDAHO
HISTORIC 12 MONTHS ENDED DECEMBER 2012

Line No.	Description	Sch.	Average Cust	MWH	Present Rev (\$000)*	DSM Revenue	
						Rate	Rev
						%	(\$000)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Residential Sales							
1	Residential Service	1	43,685	424,866	\$49,081	2.1%	\$1,031
2	Residential Optional TOD	36	14,279	260,612	\$25,723	2.1%	\$540
3	AGA Revenue				\$3		
4	Total Residential		57,964	685,477	\$74,807		\$1,571
Commercial & Industrial							
5	General Service - Large Power	6	1,048	281,899	\$24,157	2.1%	\$507
7	General Svc. - Lg. Power (R&F)	6A	219	32,396	\$2,945	2.1%	\$62
8	Subtotal-Schedule 6		1,267	314,295	\$27,101		\$569
9	General Service - High Voltage	9	15	118,837	\$7,837	2.1%	\$165
10	Irrigation	10	4,894	658,325	\$60,498	2.1%	\$1,270
11	Comm. & Ind. Space Heating	19	116	8,559	\$726	2.1%	\$15
12	General Service	23	6,841	145,173	\$14,709	2.1%	\$309
13	General Service (R&F)	23A	1,823	24,281	\$2,570	2.1%	\$54
14	Subtotal-Schedule 23		8,664	169,454	\$17,279		\$363
15	General Service Optional TOD	35	3	1,144	\$98	2.1%	\$2
16	Special Contract 1	400	1	1,400,114	\$83,375	0.0%	\$0
17	Special Contract 2	401	1	106,646	\$6,290	0.0%	\$0
18	AGA Revenue				\$599		
19	Total Commercial & Industrial		14,961	2,777,374	\$203,802		\$2,384
Public Street Lighting							
21	Security Area Lighting	7	194	256	\$99	2.1%	\$2
22	Security Area Lighting (R&F)	7A	134	108	\$45	2.1%	\$1
23	Street Lighting - Company	11	30	71	\$32	2.1%	\$1
24	Street Lighting - Customer	12	276	2,444	\$446	2.1%	\$9
25	AGA Revenue				\$0		
26	Total Public Street Lighting		634	2,878	\$621		\$13
27	Total Sales to Ultimate Customers		73,559	3,465,729	\$279,230		\$3,968

*Including the ordered base revenue increase in 2014 and estimated ECAM revenue.

Proposed DSM Credit Calculation

Proposed one-time credit	\$1,400,000
Total Schedule 191 charges from October 2012 to September 2013 for currently active customers	\$3,786,656
Proposed one time DSM Credit	37.0%
Annual net rev impact excluding AGA and Sch 400 & 401	0.73%
Avg. residential refund per customer	\$8.32

Attachment 2

Summary of Idaho DSM Program Costs

IDAHO DSM
SCHEDULE 191 BALANCING ACCOUNT

	Monthly Program Costs - Fixed Assets	Accrued Costs Balance	Rate Recovery	Carrying Charge	Cash Basis Accumulated Balance	Accrual Basis Accumulated Balance
2006 totals	\$ 1,524,295.02	\$ -	\$ (1,374,343.46)	\$ 6,053.00		
2007 totals	\$ 2,120,643.37	\$ -	\$ (2,048,020.29)	\$ 11,692.00		
2008 totals	\$ 4,767,955.02	\$ -	\$ (4,287,059.82)	\$ 49,236.00		
2009 totals	\$ 6,432,685.21	\$ -	\$ (5,010,485.78)	\$ 46,170.00		
2010 totals	\$ 7,515,026.38	\$ -	\$ (5,939,833.12)	\$ 31,829.00		
2011 totals	\$ 2,669,984.25	\$ 380,980.18	\$ (5,356,975.10)	\$ 24,350.00		
1 January	105,440.79	92,972.39	(392,089.99)	867.00	897,419.48	1,371,372.05
2 February	221,185.20	(60,023.40)	(355,173.28)	692.00	764,123.40	1,178,052.57
3 March	238,009.53	19,830.30	(336,515.16)	596.00	666,213.77	1,099,973.24
4 April	203,097.08	27,734.60	(306,199.46)	512.00	563,623.39	1,025,117.46
5 May	366,808.41	(18,312.36)	(452,267.87)	434.00	478,597.93	921,779.64
6 June	277,172.96	29,048.25	(708,660.98)	219.00	47,328.91	519,558.87
7 July	306,786.59	116,762.19	(904,683.09)	(210.00)	(550,777.59)	38,214.56
8 August	339,573.56	(2,401.70)	(687,181.01)	(604.00)	(898,989.04)	(312,398.59)
9 September	463,651.28	(143,689.37)	(406,553.98)	(725.00)	(842,616.74)	(399,715.66)
10 October	259,877.05	(90,788.20)	(257,381.23)	(701.00)	(840,821.92)	(488,709.04)
11 November	382,425.80	(8,023.92)	(216,413.15)	(632.00)	(675,441.27)	(331,352.31)
12 December	207,728.96	(24,674.93)	(221,885.58)	(569.00)	(690,166.89)	(370,752.86)
2012 totals	\$ 3,371,757.21	\$ (61,566.15)	\$ (5,245,004.78)	\$ (121.00)		
1 January	187,387.34	91,690.84	(266,990.47)	(570.00)	(770,340.02)	(359,235.15)
2 February	386,781.98	(32,874.25)	(253,183.75)	(586.00)	(637,327.79)	(259,097.17)
3 March	278,520.13	35,772.37	(226,554.89)	(509.00)	(585,871.55)	(171,868.56)
4 April	327,008.97	(55,623.68)	(196,835.66)	(434.00)	(456,132.24)	(97,752.93)
5 May	159,913.93	(90,760.97)	(287,578.37)	(471.00)	(584,267.68)	(316,649.34)
6 June	148,490.26	(21,929.68)	(464,103.48)	(618.00)	(900,498.90)	(654,810.24)
7 July	350,916.53	(2,503.17)	(634,228.01)	(868.00)	(1,184,678.38)	(941,492.89)
8 August	232,358.90	22,730.89	(522,501.67)	(1,108.00)	(1,475,929.15)	(1,210,012.77)
9 September	246,269.20	(8,033.25)	(403,843.41)	(1,296.00)	(1,634,799.36)	(1,376,916.23)
10 October	207,700.00	-	(246,000.00)	(1,346.37)	(1,674,445.73)	(1,416,562.60)
11 November	202,200.00	-	(233,600.00)	(1,382.29)	(1,707,228.02)	(1,449,344.89)
12 December	196,000.00	-	(256,000.00)	(1,397.69)	(1,768,625.71)	(1,510,742.58)
2013 totals	\$ 2,923,547.24	\$ (61,530.90)	\$ (3,991,419.71)	\$ (10,586.35)		
1 January	247,500.00	-	(265,100.00)	(1,466.52)	(1,787,692.23)	(1,529,809.10)
2 February	252,300.00	-	1,148,400.00	(2,073.37)	(389,065.60)	(131,182.47)
3 March	253,200.00	-	(225,000.00)	(335.97)	(361,201.57)	(103,318.44)
4 April	260,600.00	-	(195,600.00)	(328.08)	(296,529.66)	(38,646.53)
5 May	269,200.00	-	(285,700.00)	(240.23)	(313,269.89)	(55,386.76)

IDAHO DSM
SCHEDULE 191 BALANCING ACCOUNT

	Monthly Program Costs - Fixed Assets	Accrued Costs Balance	Rate Recovery	Carrying Charge	Cash Basis Accumulated Balance	Accrual Basis Accumulated Balance
6 June	272,000.00	-	(461,100.00)	(182.27)	(502,552.16)	(244,669.03)
7 July	287,300.00	-	(630,500.00)	(275.79)	(846,027.95)	(588,144.82)
8 August	290,500.00	-	(519,000.00)	(609.81)	(1,075,137.77)	(817,254.64)
9 September	273,300.00	-	(401,200.00)	(842.66)	(1,203,880.42)	(945,997.29)
10 October	263,700.00	-	(244,400.00)	(1,011.28)	(1,185,591.70)	(927,708.57)
11 November	258,000.00	-	(232,100.00)	(998.78)	(1,160,690.48)	(902,807.35)
12 December	253,900.00	-	(256,700.00)	(966.08)	(1,164,456.56)	(906,573.43)
2014 totals	\$ 3,181,500.00	\$ -	\$ (2,568,000.00)	\$ (9,330.85)		
1 January	316,600.00	-	(265,100.00)	(991.84)	(1,113,948.40)	(856,065.27)
2 February	322,800.00	-	(251,600.00)	(957.96)	(1,043,706.35)	(785,823.22)
3 March	324,000.00	-	(225,000.00)	(911.01)	(945,617.36)	(687,734.23)
4 April	333,300.00	-	(195,600.00)	(845.39)	(808,762.75)	(550,879.62)
5 May	344,300.00	-	(285,700.00)	(698.39)	(750,861.13)	(492,978.00)
6 June	348,000.00	-	(461,100.00)	(578.59)	(864,539.73)	(606,656.60)
7 July	367,500.00	-	(630,500.00)	(610.87)	(1,128,150.59)	(870,267.46)
8 August	371,600.00	-	(519,000.00)	(878.71)	(1,276,429.30)	(1,018,546.17)
9 September	349,600.00	-	(401,200.00)	(1,042.19)	(1,329,071.49)	(1,071,188.36)
10 October	337,400.00	-	(244,400.00)	(1,146.31)	(1,237,217.80)	(979,334.67)
11 November	330,100.00	-	(232,100.00)	(1,071.85)	(1,140,289.65)	(882,406.52)
12 December	324,800.00	-	(256,700.00)	(978.62)	(1,073,168.27)	(815,285.14)
2015 totals	\$ 4,070,000.00	\$ -	\$ (3,968,000.00)	\$ (10,711.71)		

Attachment 3

Schedule 95, Customer Efficiency Services Credit

**ROCKY MOUNTAIN POWER
ELECTRIC SERVICE SCHEDULE NO. 95**

STATE OF IDAHO

Demand Side Management (DSM) Credit

PURPOSE: The DSM Credit is designed to provide a one-time credit to currently active retail tariff Customers who were subject to electric service Schedule 191.

AVAILABILITY: At any point on the Company's interconnected system.

APPLICATION: This Schedule shall be applicable to currently active retail tariff Customers who were subject to Schedule 191 Customer Efficiency Services rate anytime from October 2012 through September 2013.

ONE-TIME BILL CREDIT: In addition to the Monthly Charges contained in the Customer's applicable schedule, all qualifying currently active customers shall receive a one-time credit to their bill. The credit will be 37.0 percent of the Customer's total Schedule 191 charges from October 2012 to September 2013. A single bill credit will be applied to each qualifying customer bill. Bill credit processing will commence on February 1, 2014 and will end no later than March 31, 2014, and this tariff will expire April 30, 2014.